Reasons for the industrial sickness in the country

1039. SHRI AHMED PATEL: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that non-availability of raw materials, power shortage and financial bottlenecks are the primary reasons for the industrial sickness in the country;

(b) if so, the details thereof; and

(c) remedial measures Government propose to take in this regard to remove industrial sickness in the country?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Data on sick industrial units assisted by Banks in the country is compiled by the Reserve Bank of India (RBI). According to the information from the RBI for the period upto 31.3.1995, a number of causes, both internal and external, often operating in combination, have been responsible for industrial sickness. These also include financial bottlenecks, power shortage and non-availability of raw materials. Their percentage share to total number of factors is estimated at 4.7%, 4.5% and 3.3% respectively.

(c) Government has taken a number of steps for revival of sick industrial units. Some of the important steps are given in the Statement.

Statement

Steps taken by Government for revival of sick industrial units.

The Government has enacted a comprehensive legislation namely 'The Sick Industrial Companies (special Provisions) Act, 1985'. A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of the sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(2) The Reserve Bank of India has issued guidelines to banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(3) Commercial banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units.

(4) The Reserve Bank of India has also issued guidelines to the banks indicating parameters within which banks could grant reliefs and concessions or rehabilitation of sick but potentially viable units without reference to RBI both in the large and small scale sector.

(5) Revival of sick industrial units is also facilitated by amalgamation/merger of sick units with healthy units. Tax benefits are given under Section 72(A) of the Income Tax Act, 1961 to the healthy company for revival of the amalgamating sick unit.

(6) Government has set up the National Renewal Fund which would inter-alia, provide for payment of compensation to workers affected by industrial restructuring.

(7) On the advice of the Government of India, the Reserve Bank of India has set up State Level Inter-Institutional Committees (SLIICs) in all States under the Chairmanship of Secretary, Industries Department of the concerned State Government for working out a rehabilitation package for revival of sick but viable small scale units.

(8) Financial assistance in the form of long term equity type assistance upto Rs. 2,50,000/- to units with a project cost not exceeding Rs. 10 lakhs at a nominal service charge of one per cent per annum is also available to potentially viable but sick small Scale industrial units from the National Equity Fund set up in August, 1987.

(9) The Small Industries Development Bank of India (SIDBI) has been established to function as an Apex Bank for tiny and small scale industries.

Financial performance of Hindustan Cables Ltd.

1040. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of INDUSTRY be pleased to refer to the answer to Unstarred Question 2713 given in the Rajya Sabha on 2nd September, 1996 and state:

(a) the reasons for loss of profitability of Hindustan Cables Ltd. in 1995-96;

(b) the unit-wise order book position;

(c) the corporate and unit-wise short and long term plan to arrest the loss; and

(d) the present status of dues from DOT and MTNL?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Hindustan Cables Ltd. (HCL) has been incurring losses since 1995-96. The main reasons for loss by HCL are low production due to acute shortage of working capital and huge sundry debtors alongwith excessive manpower cost and high interest charges.

(b) The Corporate Division procures order for telecom cables from DOT/MTNL and distributes them to the Units. All orders pertaining to Optical Fibre Cables, Accessories & Systems are given to Naini Unit and Turnkey Division of the company whereas the Jelly Filled Cables orders are distributed between the Rupnarainpur and Hyderabad Units according to their capacity to service the orders. The orders secured by the comapny during the current year upto October, 1996 are as follows:—

(Rs. in crores)

Item	Physical	Financial
Jelly Filled Cables	26.56 LCKM	214.00
Optical Fibre Cables	17000 FKM	21.17
Accessories & Systems		3.83
Turnkey & others		135.00
		374.00

(c) (i) Government has given guarantee for HCL's overdrawal against Cash Credit account.

(ii) DOT has released a part of the outstanding dues.

(iii) IFCI has reduced the margin money requirement for their loan to HCL from 30% to 10%.

(iv) Financial assistance under NRF is being given for implementation of VRS and reduction of fixed cost.

(d) A sum of Rs. 119.59 crores is pending for settlement with DOT & MTNL for a long time even though HCL had been representing these cases from time to time. Recently DOT has agreed to pay Rs. 31 crores out of the old dues against which an adhoc payment of Rs. 15 crores has been received by HCL.

हैदराबाद स्थित एच.एम.टी. के लैंप एकक का बन्द होना

1041. **श्री महेश्वर सिंह:** क्या उद्योग मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि हैदराबाद स्थित एच.एम. टी. का लैंप एकक अब कोई उत्पादन नहीं कर रहा है और अपनी हानियों के कारण अब बंद हो गया है;

(ख) यदि हां, तो इसकी स्थापना से अब तक वर्ष-वार कितना घाटा हुआ और उसके क्या कारण हैं;

(ग) इस एकक के बंद होने से कितने लोग बेरोजगार हो गये हैं;

(घ) क्या सरकार ने इस एकक को घाटे से उबारने के लिए कोई योजना बनाई है;

(ङ) क्या यह भी सच है कि इस एकक को ग्वालियर स्थित ओसरम कंपनी को बेचने की योजना है; और

(च) यदि हां, तो तत्संबंधी ब्यौरा क्या है?

उद्योग मंत्री (श्री मुरासोली मारन): (क) से (ग) हैदराबाद में स्थित एच.एम.टी. के लैम्प एकक का जो 1976 में अपने आरंभ से ही लगातार घाटे में चल रहा था यथा 31.3.1996 को संचित घाटा 130.63 करोड़ रुपये था। प्रौद्योगिकी की पुरातनता तथा अत्यधिक जनशक्ति लागत घाटे के प्रमुख कारण हैं। इकाई में उत्पादन जो पहले ही निम्न स्तर पर था, मई, 1996 से रूक गया है। 1304 कर्मचारियों को वेतन तथा मजदूरी का भुगतान किया जा रहा है।

(घ) से (च) विद्यमान निर्माणकारी प्रौद्योगिकी के उन्नयन तथा अपेक्षित निधियां एकत्र करने के लिए, संयुक्त उद्यमों/स्वयं को वंचित करने हेतु निविदाएं आमंत्रित करने के लिए एक खुला विज्ञापन अगस्त, 1996 में दिया गया था। पश्चिम जर्मनी के मैसर्स ओसरम ने जानकारी ज्ञापन तथा बोली का फार्म लिया है।